



ORIGINAL

TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF HEALTH EDUCATION AND WELFARE

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DIVISION OF REGIONAL MEDICAL PROGRAMS

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AD HOC REVIEW COMMITTEE

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Rockville, Maryland
May 24, 1974

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DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

DIVISION OF REGIONAL MEDICAL PROGRAMS

AD HOC REVIEW COMMITTEE

Conference Room G-H
Parklawn Building
5600 Fishers Lane
Rockville, Maryland 20852

Friday, May 24, 1974

The meeting convened at 9:45 o'clock, a.m.,

Dr. Herbert B. Pahl, Acting Director, Division of Regional
Medical Programs, presiding.

PRESENT:

Mr. Peterson, Chief, P&E

Dr. Winston Miller, Minneapolis, Minnesota

Mrs. Jesse Salazar, Albuquerque, New Mexico

Dr. Leonard Scherlis, Baltimore, Maryland

Mr. Joseph de LaPuente

Dr. Paul Teschan, Nashville, Tennessee

Sister Ann Josephine, Notre Dame, Indiana

Mr. Kenneth Barrows, West Des Moines, Iowa

Dr. Joseph Hess, Detroit, Michigan

Dr. Albert Heustis, Three Rivers, Michigan

Dr. John Hirschboeck, Milwaukee, Wisconsin

Mr. Robert Toomey, Greenville, South Carolina

Dr. William Vaun, Long Branch, New Jersey

Mrs. Florence Wyckoff, Watsonville, California

Mrs. Silsbee, Acting Chief, O&D

Mr. Chambliss, Acting Deputy Director

Dr. Herbert Pahl, Acting Director, DRMP

Mr. Francis Nash, Eastern Operations

Mr. Richard Russell, Western Operations

Mr. Michael Posta, Midcontinent

Mr. Lee Van Winkle, South Central

And others

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P R O C E E D I N G S

DR. PAHL: I would like to call this session of the meeting to order.

There may be one or two of the committee still getting a cup of coffee, but I understand some people had to depart. I believe we still have a reasonable amount of activity before we can conclude the overall meeting. But before we go on further, I am sure all of you have probably noticed that Mrs. Silsbee has been able to join us this morning, and I hope that we don't have any more relapses which we had the other day.

Glad to have you back, Judy.

I guess probably one of the biggest disappointment in her life was to miss the other day. We will be busy briefing her as to what is going on.

The purpose of this meeting really is to have one of the panels inform the other what the actions were, very briefly. And any really important points that may be pertinent to that action, each panel has had certainly a few very exciting moments and some very difficult moments and I believe that this information should be shared with the group as a whole, because we are taking the full committee's recommendation to the Council and also we hope to have all of you back for the July review and you should all hear at this time what the actions were.

It is difficult to do this, as you know from past experience, because having not shared in the full length discussion and read the applications, you may feel that some of the actions are overly harsh from what your present information is. But that information may be outdated by 18 months or two years or so. So what I would like to urge us all to do is not try to reopen all of the sessions which we have just gone through, but use this as an information session. And I propose to do this in the following fashion, and that is to, first, take Mr. Chambliss' group of applications and have the two desk chiefs run down alphabetically the ones that they were responsible for, and give you the highlight and any point which they feel you should know.

Now, because we are still on the confidentiality of information and conflict of interest, I should say that when your own conflict of interest region comes up, we would like to have you out of the room.

These will be very short presentations; that is, a few minutes on each. Because we have 53 and we are heading for getting out this morning. So really don't wander down the hall and start that long distance telephone call. It will almost be an in and out.

On the other hand, I believe that perhaps one or two points may require more than that few minutes, because there are some serious considerations that have come to my attention, and

I believe you will perhaps want more than just a sentence or two. So that you will be better prepared to understand the applications as they come before you in July.

The other matter is, at least Dr. Teschan, maybe some others, have some points you would like to raise for group consideration, possibly formal recommendation for policy issues for the Council and other matters. So as soon as we finish this, we will be willing to entertain any kind of further discussion on points to the staff or points to the Council that you wish to make.

Now, if that is a satisfactory agenda, I am sure we can proceed rather quickly, and I would like, first of all, to ask whether that fits in with the way you feel we might best convey a large volume of information over two days.

All right, first I would like to ask, Bob, let's take yours first.

Do you have any general comment you want to make for the group about the total set of applications, and then we will go right into them?

MR. CHAMBLISS: Yes. I might say as a matter of general information that panel A handled the applications from the South Central and Midcontinent areas. We handled a total of 28 applications and the total request from those applications amounted to \$65.5 million.

The overall actions recommended from this panel,

total \$50 million, \$50,273,913.

We are going to ask, then, for the respective branch chiefs of the South Central and Midcontinent Branches to give just a brief summary of the individual actions taken by this panel.

Lee, will you proceed.

MR. VAN WINKLE: I don't propose to get into the specific rationale behind this and how they arrived at these decisions, but basically I am just going to give you what the decision of the panel was.

On Alabama, they considered--

DR. PAHL: Give time for people to go in and out of the room.

MR. VAN WINKLE: There is no one from Alabama.

DR. PAHL: Just in general. Okay.

MR. VAN WINKLE: In Alabama, they considered this to be an above average region and they recommended funding at the level of \$2,028,389.

There were no specific recommendations other than that.

Florida, no one here from there either, is there?

This was considered to be a superior region and was recommended at a funding level of \$2.7 million.

Georgia, another region that was considered to be superior, was recommended at a funding level of \$3,629,757.

On Georgia, they don't propose to come in in July at all. This is their total request.

Illinois was considered to be an above-average region was recommended for funding at \$2,816,935.

Indiana was considered to be an average region, was recommended for funding at \$1,121,159.

Memphis was considered to be an above average region, was recommended for funding at \$2,600,000.

Michigan -- I believe we have some people from Michigan?

MR. CHAMBLISS: Yes, we do.

DR. HESS: But I have no conflict of interest.

DR. HEUSTIS: I come from Michigan. I have no conflict of interest. Do you want me out?

DR. PAHL: Please, if you will.

(At this point, Drs. Hess and Heustis withdrew from the room.)

MR. VAN WINKLE: Michigan was considered to be an average region, was recommended for funding at the level of \$2.5 million.

DR. PAHL: Let the record show Dr. Heustis and Dr. Hess have both left the room. Thank you.

(At this point, Drs. Hess and Heustis returned to the room.)

MR. VAN WINKLE: Mississippi was considered to be a

superior region, was recommended for funding at the level of \$2.2 million.

North Carolina, considered to be a superior region, recommended for funding at the level of \$2,375,522.

Northlands --

(At this point, Dr. Miller withdrew from the room.)

MR. VAN WINKLE: Dr. Miller has left the room.

Northlands was considered to be a below average region. This largely had to do with staffing difficulties. Was recommended for funding at the level of \$1.7 million.

(At this point, Dr. Miller returned to the room.)

MR. VAN WINKLE: Ohio Valley was considered to be an average region, recommended for funding to the level of \$2,305,636.

South Carolina was considered to be an average region, was recommended for funding at the level of \$2.2 million.

Tennessee Midsouth.

DR. PAHL: Dr. Teschan.

(At this point, Dr. Teschan withdrew from the room.)

MR. VAN WINKLE: Was considered to be an average region, was recommended for funding at the level of \$2,133,972.

(At this point, Dr. Teschan returned to the room.)

MR. VAN WINKLE: Dr. John Hirschboeck is leaving.

(At this point, Dr. Hirschboeck withdrew from the room.)

MR. VAN WINKLE: Wisconsin was considered to be an average region, was recommended for funding at the level of \$2 million.

Now, there was one common thread I think that went through all of these funding recommendations, in terms of some reductions, is the fact that irrespective of the superiority or excellence of the region, in many instances there was a question whether the amount of work cut out could be accomplished in the amount left. I think that was probably one common theme that went through that.

DR. SCHERLIS: Sum total.

MR. VAN WINKLE: \$32,311,370.

That is all of these.

DR. PAHL: Thank you very much, Lee.

Are there any comments or discussions of these applications?

Yes.

DR. SCHERLIS: This will come up, I am sure, as we discuss other sections, but looking at the target figure of some 35-plus against the recommendation of \$32.3 million, does that mean we will have at the most \$3 million for the July request?

I know it will add up in the different groups, but is this the sort of calculation we will have to make in terms of what will be available in July?

DR. PHAL: Yes, I will go into that at the end of the full recitation here.

DR. SCHERLIS: Fine. Thank you.

MR. VAN WINKLE: I could mention that the total May request that was being considered here came to \$41,159,472.

MRS. WYCKOFF: For this group?

MR. VAN WINKLE: For this particular group.

DR. PAHL: All right, thank you, Lee.

Mike, would you please take your group of regions.

MR. POSTA: Just as a beginning, the 14 regions from the Midcontinent Operations areas, requested in their May 1 application \$24,436,527. Of this \$24 million in request, \$17,962,843 was recommended for approval.

First region in this group is Arkansas.

DR. TESCHAN: Would you get a little closer to the mike.

MR. POSTA: Okay.

Arkansas, reviewers felt this region was an average one. They were concerned with the loss of Dr. Silverblatt, a top-notch coordinator; because of this they did not feel that the full amount of \$1,830,000 request should be approved.

As a result, their recommended figure was \$1.5 million.

Bi-state, St. Louis, reviewers considered Bi-state to be average to below average. The request of \$1,128,000,

roughly, was cut to \$800,000.

This is approximately \$71,000 below the projected 12-month funding level.

Poor leadership, particularly with reference to the RAG involvement, was noted. They have never received triennial status. Their track record was considered below average.

Colorado-Wyoming? Colorado-Wyoming was considered above average to superior. The target figure of \$1.5 million was recommended, which was about \$280,000 less than was requested.

Intermountain? No problems.

This region was considered above average. One reviewer in individual grade sheets considered it superior. They commented on the good staff. However, the application was most ambiguous. The region was considered to be overly funded by some of the reviewers, including staff.

The panel recommended that \$2 million of the \$3.85 million request should be approved and this compares to \$3.6 million target for this region.

Iowa.

(At this point, Mr. Barrows withdrew from the room.)

MR. POSTA: Iowa is considered above average to superior. The request was approved in the total amount requested of \$1,061,349, which is about 80 percent of the target figure.

(At this point, Mr Barrows returned to the room.)

MR. POSTA: Kansas. Kansas was considered average to above average, approved \$1,633,380, which is \$100,000 less than requested.

This region had requested about 78 percent of the target figure.

Louisiana? This region was considered below average. This never has achieved triennial status. It has always come in for an annual type of an application.

Leadership is still in question. The coordinators on a half-time basis. However, the request of \$985,212 was approved as requested, which is 77 percent of the targeted figure.

Missouri. This region was considered average region. The reviewers felt that the region has improved significantly over the last several years. As many of you are aware, this particular region put an awful lot of emphasis on computer and hardware in the past. They have completely gotten away from this particular thrust and are getting into outreach programming. The MS needs and requests in this particular application should be reexamined by the health service agency staff. The reviewers felt that the program staff was too high, and that the application was considered to be too ambitious.

The reviewers approved the targeted figure which was

mgf
2,364,333
~~\$2,295,113.~~

Approximately \$715,000 was trimmed from the budget

request.

Nebraska? This region has never achieved triennial status and as many of you will recall, their funding was cut back after the divorce from South Dakota several years ago.

The reviewers felt that the Nebraska's application was the best they have seen to date. They note considerable improvement. And recommended a new funding level in the amount of \$912,000, which, in essence, was \$50,000 below the requested amount, but over the target figure.

DR. PAHL: Before we leave, Mike, was that considered an above average or superior? General rating?

MR. POSTA: I can't be sure.

DR. PAHL: Okay.

MR. POSTA: This region was reviewed by Mr. Thompson and he commented on the application, but I don't recall seeing his notes or his grade sheet.

New Mexico.

(At this point, Mrs. Salazar withdrew from the room.)

MR. POSTA: Considered an average region by the reviewers, there was some concern about Dr. Gay, their excellent coordinator, leaving. However, the panel felt that the region was still in good hands with Dr. Walsh's takeover.

This region will not be coming in for July 1 funds.

The target figure of \$1,644,754 was approved, which

was approximately \$1.1 million under what was requested.

Two particular projects were noted. The health education for the public was considered overly ambitious as far as its funding request was concerned, and it was suggested that an out-of-state group visit this particular project, give an unbiased report, submit it back to the coordinator for possible rebudgeting to other areas.

Also the EMS project is considered to be well in excess of double the amount of the current application.

Most of the cuts were in those two areas.

(At this point, Mrs. Salazar returned to the room.)

MR. POSTA: North Dakota, this region is considered below average. However, the reviewers noted that this has been the lowest funded region of the 53.

The target figure of \$582,517 was approved or recommended for funding, which is about \$180,000 less than was requested.

Oklahoma. Oklahoma was considered average to below average region. It never has achieved triennial status. The target figure of \$1,062,237 was approved; \$320,000 was trimmed from the request.

The reviewers felt that a new thrust in dealing with hospitals through regional development area districts was a significant improvement over the old thrust, which dealt with continuing education programming.

South Dakota. South Dakota was given an outstanding review. The reviewers felt this region--as you recall earlier, I had mentioned the divorce with Nebraska? Both regions, Nebraska and South Dakota, have definitely improved. Maybe the divorce was great. Anyway it was given an outstanding review.

The application was approved in the amount requested of \$729,417, which is over the targeted figure.

The target figure in this particular region was \$571,095.

Texas. This region took the longest of any in our panel, well over an hour. It was sort of a unique request. They did request 98 percent of the targeted figure and had stated in the application that they would not be coming in with a July application assuming this particular application was approved.

The application was for \$2,333,531.

The real problem as the reviewer saw it was that approximately \$1.5 million of the request was in the form of an open ended contract calling for five programmatic areas from which requests for proposals would be submitted to the various consumer and provider organizations within the state. We were apprised at the last minute that about 62 applications had been received, responding to those requests for proposals, in the amount of \$6.2 million. And the RAG had requested the

review committee to allow them approximately \$1.4 million, \$1.6 million considering about \$200,000 of the request was in the form of a developmental component, to give them approval to check on June 28th at the RAG meeting, and to submit to the regional medical program form 15's which are your summary sheets, form 16 your budget sheets. So that they could begin those contracts promptly and get a full 12 month project period behind them.

Considerable debate took place and it was decided that the review committee could not in all due conscience approve an open ended application of this sort. They wound up by approving \$1.1 million at this time which would take care of the continuation activities and the program staff, and had recommended that this be brought to the attention of the Council that meets in June with the proviso that after the RAG reviews their 62 or more contract proposals and submits the 15's and 16's into DRMP by July 10th, that this body, the Review Committee, would be able to review them so that funding could begin immediately after this next review body would meet. So that they would not have to go again to the August review.

DR. PAHL: Thank you very much, Mike.

Sister Ann.

SISTER JOSEPHINE: I am sorry, I am so used to responding to Intermountain, I did not move to Indiana.

(Laughter)

DR. PAHL: We are glad to have you with us, Sister.

(Laughter)

Is there any general discussion on the applications that Mike has gone over?

DR. HESS: I would just comment that listening to what little qualitative comments we had, that I would guess that, in general, your group used the rating system a little bit more liberally than ours did.

It is hard to tell, but I would just raise that comment. Maybe as you hear the other half, you might keep that in mind.

I think one of the important things we ought to do now is to look at the matter of consistency of rating and consistency of funding decisions between the two subcommittees.

DR. PAHL: Dr. Scherlis.

DR. SCHERLIS: I think in all fairness to our group, we want to be considered extraliberal or noncredible, we have never been accused of that.

Our group never reached decision as to average or superior.

I was wondering how you all arrived at those. I think you got a flavor from what we said, then decided we really meant they were superior. We did not as a group really say these things.

MR. VAN WINKLE: I took these off the rating.

DR. SCHERLIS: Got it off the review rating?

MR. VAN WINKLE: That's right, not as the group.

DR. SCHERLIS: Final block.

DR. PAHL: This represents staff, analysis of the rating group results.

DR. TESCHAN: The question concerning the Texas discussion which I thought was extremely interesting, I note from the sheet here they are triennial status.

I was wondering whether that set of provisos for review here of the 15's and 16's was in accord with triennial management policy? I would gather that that has been decided in the first group, so it is just for information as to whether or not that essentially takes from a triennial approved region decision up to this group?

It is a policy question.

DR. PAHL: Yes. I think it had to do with the magnitude of the funding. I wasn't in on the entire discussion. Perhaps somebody can elaborate. But I think the problem here was not-- the question was not to remove flexibility from a region, but it was such a -- I don't remember the exact amount, but it was such a large amount that I gather the panel didn't really feel that it could handle the decision making with the information that was at hand.

Judy, do you have something to contribute?

MRS. SILSBEE: I have a question. I was wondering

if the same consideration had been given to the Georgia application which was somewhat similar?

DR. PAHL: Perhaps that can be answered here.

Lee, has the same consideration been given to the Georgia application?

MR. VAN WINKLE: We didn't have the same difficulties with Georgia. The Texas application did not have sites. It did not have project directors. It did not have budgets. The Georgia application was full blown.

MRS. SILSBEE: Except it is still under review which is the only difference.

The principle is the same, Lee, in both those applications.

MR. VAN WINKLE: It did not come out, Judy, in the discussion.

DR. TESCHAN: I would respond to that by saying your answer, Lee, is entirely satisfactory to me.

DR. PAHL: Yes, Dr. Miller.

DR. MILLER: It might be brought out again that we had rather extensive discussions about this issue, and in several RMP's -- not Georgia's as I recall either. Maybe we didn't pick it up -- the principle of whether a region under the present system would be allowed to have the equivalent of a developmental fund, slush fund, fund of money awarded to them without us knowing what they were going to use it for exactly.

I think although we didn't ever pass a motion to that effect, there was general agreement in our group that we could not authorize a bloc of grant components in this review process.

We have trouble defining some of these as to whether they were block grant components or not. Some of them come awfully close in other ways. But anyway this was the issue that we grappled with and Texas was the outstanding and the most extreme example.

DR. PAHL: Perhaps Dr. Heustis.

DR. HEUSTIS: I would ask Dr. Miller if you would be willing to correct the record for his words and delete that little -- few adjectives he used after the word "developmental grant"? It bothers me.

I wouldn't want to even say the word.

(Laughter)

DR. MILLER: Yes, I am happy to do that.

DR. PAHL: All right, that constitutes the findings of panel A. I would like to ask Mr. Peterson if he would care to introduce, make any general comments concerning panel B? And then proceed along the same lines with the individual applications.

MR. PETERSON: Panel B was transcontinental in scope, having looked at 25 regions handled by the Eastern and Western Desks. As its chairman I was very pleasantly surprised,

perhaps not the word but by the serious self-disciplined way in which this group operated in the face of the same constraints that I am sure panel B was under except for lack of information, time, and what have you.

I think it will be clear as you hear from Dick and Frank, but the panel judgments and actions were more nearly critical than otherwise.

We did re-review our actions this morning on some sort of overall comparative basis, but only in three cases were some minor -- 10 percent changes made in the recommendations that previously had been taken by the panel in the two prior days.

Since we are probably going to be breaking and everybody is going to be running off, I would also like to take this opportunity now, rather than trying to seize it later on, to say one other thing. I think at a time when the federal government and Public Service is held in generally lower esteem than it has for along, long time. The credibility of this government and the public's faith in it would be far greater if they could see the kinds of actions that are taken by groups like this to see the submerged part of the iceberg, not that tip that attracts the headlines. For that reason I would like to say thanks to panel B and all of the groups, both personally and professionally.

DR. PAHL: Thank you, Pete.

Dick, why don't we take your applications first?

MR. RUSSELL: All right.

DR. PAHL: And proceed along as we had before.

MR. RUSSELL: I will go alphabetically.

Arizona was considered a below average program; funding recommendation is \$860,000, which is approximately 64 percent of its request.

The reasons for this action, one is that the program is not in conformance with the RMP grantee Regional Advisory Group policy.

Two, the program is under an extreme influence, perhaps control of a key representative of the grantee.

The third area is the questionable effectiveness of the coordinator.

While there are some indications, changes are being brought about in the program, this is attributed primarily to the deputy of the program who has brought about some changes; however, with the history of this program, the group came up with this recommendation.

California.

(At this point, Mrs. Wyckoff withdrew from the room.)

MR. RUSSELL: Let the record show Mrs. Wyckoff excused herself.

In the initial review which was yesterday, California was rated as an above-average region, and it was recommended

that it be funded in the amount requested, \$8,170,374.

MR. PETERSON: Are you going to indicate--

MR. RUSSELL: I am getting into the record, Pete, the group did reconsider the action in California this morning, and in view of the rating and the needs of California, the group decided to reduce the amount recommended for California to \$7,353,000, which was a 10 percent reduction in the amount requested.

The third program is Hawaii --

(At this point, Mrs. Wyckoff returned to the room.)

MR. RUSSELL: -- and Hawaii was considered an average rating. This is primarily due to the recent change of coordinators who has done a tremendous job in a reasonably short period of time.

It was recommended, however, that Hawaii be funded at \$1.1 million.

Mountain States Regional Medical Program, which covers Idaho, Montana, Wyoming and Nebraska, was considered to be an above average to superior region. There was some concern perhaps that the budget was inflated. And the panel recommended a reduced level of \$2,150,000. And there was indications staff should get additional information on the budget which we feel very comfortable in doing. I know we can get this before Council.

The Oregon Regional Medical Program was rated as a

superior region. Recommendation was in the amount requested \$1,201,357.

The Washington-Alaska program was rated as a superior region with recommendation as requested, \$2,077,311.

And I believe that is all six of them.

DR. SCHERLIS: Do you have a total on that?

MR. RUSSELL: No, I am sorry, I do not.

DR. PAHL: Frank, would you please then take the regions that you have and describe them briefly to us.

MR. NASH: All right.

Albany -- can you hear me, Pete? Albany was viewed as a superior region in all respects; recommended funding level was \$1,066,000.

Central New York was an average region; recommendation for funding was \$615,000.

Connecticut, below average to poor, funding level recommended \$510,000.

Greater Delaware Valley, rated as above average region, and recommended funding level was \$2.3 million.

Lakes area was rated as below average to average program; recommended funding level was \$1 million.

That figure was arrived at by taking the current level and deducting the cost in the application of all projects that had been funded for at least three years, plus one-half the cost of projects requesting two years support, which

they had several.

Maine, this was the superior region in all respects; recommended funding level here was \$1.7 million, \$1,760,000.

DR. SCHERLIS: Hold it.

MR. NASH: Yes. Let the record show Dr. Scherlis excused himself.

(At this point, Dr. Scherlis withdrew from the room.)

DR. PAHL: Frank, that changed.

MR. NASH: Yes. This, the recommendation by the panel yesterday for Maine was \$1.6 million. This was reconsidered in our meeting this morning and final recommendation was for \$1,760,000, which is about 90 percent of their targeted figure, and this is the only application we expect to get from Maine.

Maryland, recommendation for Maryland was for termination of the program. This was based primarily on the four items; one was lack of direction by the Regional Advisory Group. Two was inspective coordinator. Three, disinterested or self-serving grantee. And four, end product of supported activities in the past period would be useless.

I am sure you will want some discussion on that.

DR. PAHL: I think this is one of the points why we did want to have the total group involved because this obviously is a very serious recommendation. And I certainly would

entertain any discussion by the committee even though a number of you have not been involved in the details, but to raise any questions of those who were involved in this or for further clarification before this recommendation is passed on as a committee recommendation to the National Advisory Council.

All right, if not, Frank, will you proceed with the other applications.

MR. NASH: Metro, D.C., this was considered to be average to above average region.

(At this point Dr. Scherlis returned to the room.)

MR. NASH: I think the panel noted improvement in this region over the past years.

Funding level recommended, \$1.1 million.

Nassau-Suffolk -- anyone here from Nassau-Suffolk?

This, the recommendation for this program was for termination, and due to some problems with the Regional Advisory Group, their lack of direction and leadership, the fact they have had three coordinators within the past year or two, there was great concern over the leadership. Capacity of the present coordinator, problems between RAG and grantee organization, again this was a recommendation for termination. They may want to discuss this.

DR. HESS: An important factor, there is another very important factor too that was not mentioned; that is, the lack of a capable staff on board which to my mind is a very

central concern.

MR. NASH: Thank you.

DR. HESS: The unlikelihood they can recruit capable staff and do anything in the time available.

DR. PAHL: Thank you.

Mrs. Wyckoff.

MRS. WYCKOFF: I would like to ask about both of these that are recommended to be phased out. I would like to ask about both of these that are recommended to be phased out.

Would you say that the principal reason lay with the traumatic effect of the cutback on their program, or was it due to something internal that couldn't be corrected regardless of what happened?

DR. PAHL: There are a number of people in the room who I believe might contribute to that. But Dr. Heustis had his hand up first.

Does that pertain to responding to Mrs. Wyckoff?

DR. HEUSTIS: I think I can do this. The procedure in these areas was of long standing and failure to respond over a considerable period of years with diligent staff effort and previous recommendations of the Advisory Council, this was taken careful considerate, deliberate way with full understanding that staff and Council were reasonable people and if they accepted the recommendation, they would make such arrangements for an orderly termination of the program as in their

judgment was best.

DR. PAHL: Pardon me, before we proceed further, I think the chair has erred in not asking Dr. Scherlis to remain out of the room probably during this discussion, and I have a feeling it may go on for just a few minutes.

Don't wander away too far, please, Dr. Scherlis.

Sorry, that was our error.

(At this point Dr. Scherlis withdrew from the room.)

MR. BARROWS: Our arrival at this decision occurred with great deal of anguish and discussion. We were influenced by another very important consideration, the upcoming course of planning. It was pretty well concluded that the new program, whatever it is, would be better off to start from scratch than to have this ineffective building block to work on.

DR. PAHL: We certainly appreciate having that comment.

I believe there are some others who may wish to comment on this. For example, Mrs. Silsbee or Mr. Nash and others who have been involved.

Judy, would you care to make any comments?

Does staff have any comments to add to this discussion at this point?

Mrs. Salazar.

MRS. SALAZAR: I have a question, Dr. Pahl. What is the timeframe in which these two regions are to be terminated?

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What type of on-going funds and what amount would they have for appropriate termination?

DR. PAHL: I can't answer that question, because I haven't been in on these discussions unfortunately.

Dr. Heustis.

DR. HEUSTIS: The committee left the timeframe-- really, we thought it ought to be done as soon as it could be done in orderly fashion and left the specific timeframe up to staff and Council.

DR. PAHL: Dr. Teschan.

DR. TESCHAN: Yes, and we also said probably the present budget would have sufficient funds to assure an orderly phaseout and if not, the recommendation includes language as I recall it, to ask Council to afford the region sufficient funds for an orderly phaseout.

MR. PETERSON: Yes, the words early and orderly are part of the recommendation without being specific in terms of 30 days or 90 days.

DR. HEUSTIS: We felt so strongly about this, we wanted to be careful and not water it down with the full understanding that we were dealing with reasonable people as far as the staff and the Council were concerned, and they would take the orderly process.

DR. PAHL: Thankyou.

Is there further discussion on this application?

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If not, Frank will return to the rest of the applications.

MR. NASH: Okay.

(At this point, Dr. Scherlis returned to the room.)

MR. NASH: New Jersey, this program was considered to be superior in all aspects. The funding level originally recommended yesterday was for \$2.9 million. Now, that brief meeting this morning, the recommendation was changed, the final recommendation being \$3,190,000.

New York Metro, this was considered to be an average program with funding recommendation of \$2.5 million. Also going with that is recommendation to Council that if dollars are available, New York Metro be given a high priority to receive additional funds.

This was an application for over \$7 million and about half of the activities were proposed for two-year support.

Northern New England, this was considered to be an average program; recommended they have a funding level of \$700,000. And that the region be given advice to terminate support of their data collecting activities there.

Puerto Rico was considered to be an above average program, recommendation for their funding level was \$695,862.

Rochester, Rochester was judged to be a superior program with funding recommended of \$3,061,471.

DR. HESS: Explain that. That is mainly for staff.

They have \$1 million for projects coming in, that accounts for low figure.

MR. NASH: This was really all they asked for, this particular application, because they only asked for staff support and continuation of ongoing activities. Their July application will be considerably in excess of that.

Susquehanna Valley seems to be a below-average region. As a matter of fact, I believe the panel had some serious reservations even as to the viability of this program. Recommendation here was for \$400,000.

This primarily to support staff and very small amount for projects.

Tri-state, this was considered to be a below average to average region. The panel had many questions I believe which we were unable to resolve.

The panel highly recommended a site visit be made to this region prior to Council meeting.

The recommendation for funding was \$800,000. And I am assuming it was the intent of the panel that should the site visit get some of these other questions resolved, then that figure could be raised prior to recommendation of Council.

Is that correct?

Virginia was considered to be an average region. Funding level recommended was \$1 million. And with advice to us that we express concern to the region, particularly over

their ability to fill the many vacancies that they listed in their program staff budget.

West Virginia was considered to be a superior program. The recommended funding level was exactly what they requested in this first application, \$663,132. This is basically a program staff support plus two small projects.

The region will be coming in in July with a much larger application.

Western Pennsylvania, this was considered to be an average program. The recommended funding level for Western Pennsylvania was for \$1.2 million, plus \$170,285 to support the Mahoning Shenango HEC project in Ohio.

DR. PAHL: Is there any further question or clarification on these?

Dr. Teschan.

DR. TESCHAN: I would like to refer again to the Arizona application and to ask if the reporter clarify -- as I recall, in our panel, Arizona was the only program which at the time of the processing had not completed its review process certification, and I believe our recommendation started out to be that there be no further allocation unless that process were completed.

During the discussion, however, we found that indeed that project was well under way, that some of the influences that would be inappropriate under the August 1972 policy were,

as a matter of fact, being rectified. And the question I have is whether your notes and recollection is that the recommendation of panel B was somehow contingent on the completion after process that was already underway.

The question I am simply sort of raising is the issue of approving funding for a region that has not been certified.

Do you recall that, Dick? Where are we in that?

MR. RUSSELL: I don't recall it that specifically.

I will ask Mrs. Sadin if she will comment on this discussion yesterday.

MRS. SADIN: No, I think what we said was their RAG was going to meet and at the next RAG meeting, they were going to consider the revision, already looked at the revision of bylaws. They needed 30 days before they consider this would take place. It has not taken place, but they said it will.

DR. TESCHAN: I think it is almost a truism. I don't think there is any issue here particularly, but I gather it is understood or we should understand and make clearly a matter of record that review process certification will be essential for Arizona before dollars will flow. In other words, it seems to me that is a basic assumption under which the regions need to operate.

DR. PAHL: That would be a recommendation to the Council, then the Council condition on the grant award.

Under the court order, staff may not impose restrictions, but we may obviously carry out any Council conditions on grant awards and this recommendation would be taken to the Council. That is my understanding.

DR. TESCHAN: But the application, instruction for the current cycle says clearly all applicable policies will continue to apply except those specific interdictions which had been specifically rescinded.

DR. PAHL: That is correct.

DR. TESCHAN: I have no evidence August 1972 policy does not apply.

DR. PAHL: Yes, Dr. Heustis.

DR. HEUSTIS: I think it might be in order to clarify what we did this morning and to make perhaps panel A understand the three rather modest changes that were made.

Staff over the evening took the material which we had prepared yesterday and organized it with all of the superior projects together and above average, then figured out some percentages. And so we tried to take a look at the numbers we had come up with on an individual basis yesterday and to see whether in fact we had treated them in context with what we thought the process and merit indicated.

That was the reason for the relatively minor changes that were made this morning. I think it was a good device and helped some of us to see things all in perspective.

DR. PAHL: Thank you very much.

Are there other comments from anyone concerning the activities or conclusions reached by either of the panels?

Dr. Hess.

DR. HESS: Yes, I would like to have us spend a few moments on what I would consider one of the major items of business for us to attend to this morning and that is the equity of treatment by these two subcommittees.

I am particularly concerned about those with whom we have dealt harshly and on the other end of the scale. I would like to just raise one question about one region that may have been treated by panel A more generously than would have happened had they been reviewed by panel B.

Because I think this is something we have to be very much concerned about when we break down into public subcommittees this way, that the decisions that come out are not too much a function of which group reviewed a particular region.

Now, perhaps let's take them one at a time and let's take the easiest first. That is, I would like to raise a question about intermountain and its level of funding, which, as I understand, is \$2 million. It was rated as an above average to superior region, according to my notes. They apparently are funding, their annualized rate, close to \$2 million, and they were granted \$2 million.

Well, it is \$1.8 I guess.

And they are going to be coming in with -- let's see--

MR. POSTA: Between \$400,000 and \$500,000.

DR. HESS: \$500,000 -- for another half million in July, that will have to be dealt with.

This region does overlap to some degree with Mountain States and does it overlap with Colorado-Wyoming at all?

SISTER JOSEPHINE: Yes.

MR. POSTA: Yes, sir.

DR. HESS: Okay.

Is there some way of knowing on a sort of FTE concept how many people this region serves?

MR. POSTA: I believe Lee has got the population charts back here.

MISS RESNICK: It is complicated as Dr. Hess suggests.

MR. POSTA: That is six states involved, right?

MISS RESNICK: We know it covers all of Utah and a portion -- small portion of Colorado, a portion of Montana which is part of the Mountain States--

MRS. WYCKOFF: And Washington-Alaska has also some turf problems.

DR. HESS: With Intermountain?

MR. CHAMBLISS: Yes, they are also a part of it.

MISS RESNICK: But since I am not the reviewer and also wasn't called on to support the population distribution, I am

a little hesitant to quote a number of figures. I don't know what went into their programs as they developed their estimate of need. And how they got together.

I think there is a three-region committee that looks at it from that point of view, isn't it, Mike?

MR. POSTA: Yes. For your information, in panel A, what did come up was the turf problem that we have had for a number of years with the three regions concerned, and on May 9th, the coordinators of all three regions got together along with their RAG chairman and went over everything that they have in the hopper at the present time, what they are funding, together with the May 1 request, together with the request for the use of the \$6.9 million that was restricted, and went through all of the applications to be assured that one region knew what the other one was doing, and got their endorsement.

They approved everything in the application with the exception of ten activities, and those ten activities could not be funded until this group got together again and they have two definitely scheduled meetings a month from now, the first one, before actually funding consideration would be given to any of the approvals that would come forth from Council.

I don't exactly understand--

DR. HESS: Maybe it is not an answerable question.

MISS RESNICK: I have some better figures on the

population. We estimated last spring that the Intermountain program roughly was responsible for \$1.9 million. That took into account Utah, a portion of Wyoming, a small portion of Nevada, a piece of Idaho, and a piece of Montana.

It is very rough. We have a map that kind of overlays and so on.

DR. HESS: All right. That sounds fairly reasonable. And I don't have any real question about that, about that region. I am satisfied.

DR. SCHERLIS: May I interrupt for a moment?

I am trying to discern the relevancy of that issue. Are you suggesting we should give dollars per population, that would make our task very easy?

DR. HESS: No, that should not be the only basis, but I think we do have to look at the amount of money going into a region in relationship to not only the population, but the quality of the program, needs to people, the other resources they have to work with. And all these factors ought to enter into our judgments about what is appropriate. And that we should not take a narrow vision and look at the quality of the program, alone, as the sole criterion upon which to base judgment.

So I am satisfied-- And I know that we have been looking at quality and we have got your rating and all that kind of thing, but I do think that we have to not be unaware of the

number of people to be served and the kind of problems that exist in the region.

MRS. SALAZAR: Dr. Hess, would you speak to the point then of, in my view, certain element of inconsistency in the elimination of two regions this morning?

These regions have people in them and they are still in existence.

DR. SCHERLIS: Shall I leave the room again?

Will you stop that for a moment?

DR. PAHL: Off the record.

(Discussion off the record.)

DR. HESS: Okay, I think my concerns at the high level are satisfied. Now I am concerned about some of the actions or recommendations that our group made in relationship to some of the-- well, I think we need to share this a little more in depth.

Also I think I would raise a question as to whether some of the regions that group A reviewed, if in fact we as a group as a whole are going to follow that and support the recommendations of panel A, whether or not similar recommendations ought not be made for one or two regions reviewed by panel A.

I got the A and B mixed up, but maybe you can follow the sense of what I am saying.

Too, based on your discussion, the two that I thought

ought to be looked at again in light of this factor are Louisiana and Bi-state. And questionmark Oklahoma.

Now, I think the most efficient way to do this is to look at the criteria which group B used for making the recommendations and ask group A how those criteria apply to those regions in question.

The reason I single those out, number one, the regions are still on annual status which means there is a rather long history of not performing very well or they would be on triennial status.

And number two, they were--well, again, as I listened, I wondered if maybe we as a group were a little bit more strict in our application of the rating criteria than group A. And so therefore the rating of average or below average may not mean the same for the two groups.

So could we just review now the basis for our recommendations on the two regions were, one, the unsatisfactory nature of the current leadership, program staff leadership; number two, the leadership of the RAG and feeling of weakness at that level; thirdly, the status of the grantee; and fourth, the role of the grantee -- fourthly the nature of the program specific projects which were put forward as representing the implementation of a program concept.

DR. PAHL: Before we proceed, Dr. Teschan has a comment and question.

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DR. TESCHAN: I want simply to amplify or illustrate those four points didn't come out of the air. The first three will be recognized by I hope everybody here as almost a direct quote from page one of the August 1972 policy as to what are the essential ingredients of an RMP.

You have got to have a coordinator who is capable. You have got to have a RAG that functions. You have to have a grantee that will stay in its fiscal administrative box. And to that, then, the committee appropriately, in my view, added the outputs in terms of dollars in and what then happens is in the region in terms of project as staff activity result.

So this wasn't an arbitrary set-- it is simply citing the ground rules on which all regions need to be judged.

MR. BARROWS: Plus the consideration the new program would be better off without having this to--

DR. PAHL: Dr. Scherlis, I believe, has a comment, before we respond to what those points were in these cases.

DR. SCHERLIS: I admire the fact you have set up what appear to be rather rigid criteria. I think it is the interpretation of these criteria of the individual projects that obviously you have to fall down and have to fail.

Because as we are speaking for the coordinators who are resigning, seeking other positions, who have found other positions, I think a great deal of our response to these applications admittedly is based on rather soft sand, as far as

trying to be as rigid as we might be a year or two ago. We don't have the potential ability of saying, well, we will let them get started and site visit them.

We don't have the potential threats in terms of the careful supervision.

We lack the central staff, on and on and on.

And a great deal of the determinations here, regardless of what we can hope or assume we use these criteria, really become more qualitative and less quantitative, I think that goes without saying, just as some of the criteria used are rather ephemeral in terms of utilizing them.

Let me speak to Okiahoma. I think this is one of the three since I was a reviewer.

DR. PAHL: Why don't you proceed with Okiahoma, since you were the reviewer?

DR. SCHERLIS: Yes. I site visited Okiahoma, and this is a program that has changed very significantly since the time that I site visited it.

The rating of average minus is probably taken from my formal review that I handed in and this was based in great measure upon my recollection of the area as it was when I was last there and what I could deduce from the document.

Remember that none of us at this time have the benefit of the very carefully documented pink sheets we used to have which I found to be extraordinarily good. And we don't

have the evaluation of all the preceding letters, site visit, documentation and so on.

There is little question in my mind that Oklahoma has moved from what was essentially a post-graduate training program, educational parade, through the state, into what I think now is a very exciting potential network for better medical care through the area.

They have a new coordinator. The program that he has designed here I would view as being something that could fit into whatever survives, whether it is regional medical program or regional planning council, or comprehensive bulk programs, or what have you; these are networks which I think will lead to better care in Oklahoma.

I don't reach this decision lightly. It was pretty well forced on me after a very vehement, active discussion, and I, for one, support the recommendation that has been made.

The grading of average minus was from my original sheet. In terms of the discussion that took place here, I was impressed with the fact that this group has changed directions significantly, what I will think will be very helpful whatever form planning takes and whatever form actual application takes in this region as far as whatever survival will be of RMP.

I could detail the document. I would say this, I was most impressed with the change. I had viewed if Oklahoma

had come in this way two years ago, it would be by now one of the better states.

It is very heavily provider oriented, but I think one year to go, this would be a more fruitful way of moving than in another direction.

DR. PAHL: Thank you very much, Dr. Scherlis.

Is there further discussion concerning the Oklahoma application from staff or other committee members?

Dr. Hess, I think that is responsive.

DR. HESS: I am asking is there reason for optimism. I think that is putting it in a nutshell.

DR. SCHERLIS: It has changed markedly.

DR. HESS: The only question I would ask, you don't have to elaborate--

DR. PAHL: These are very valid points. This is the purpose for this session. It is in order.

DR. SCHERLIS: I was asked at the meeting how I reached the conclusion and I wished that I had had your points score to use. I said it was a guts reaction in a great degree, and I think all of us eventually have to come to that honest admission.

DR. PAHL: If there is nothing further in Oklahoma, I believe one of the other regions that could bear some discussion was Bi-state.

I am not sure whether the reviewers of Bi-state are

here or not.

MR. POSTA: No.

DR. PAHL: Then, Mike, could you be responsive to Dr. Hess' points and perhaps just clarify a little bit further some of the thinking that went on with Bi-state.

MR. POSTA: Well, I think in my earlier summations, it was as succinctly put, they did come in with an application of \$1.1 million, and they were cut back to \$800,000, which is not only well below the targetted figure, but about \$71,000 below the projected 12-month funding level for this region. And that was, in my opinion, a punitive action.

Now, whether that action was as punitive as panel B would have taken would be up for debate.

DR. HESS: The question I would raise is, you know, to try to bring some consistency into how we deal with regions. Is there a staff and a RAG that can effectively use that \$700,000-\$800,000 next year? And, you know, have something worthwhile to come out of it that justifies that amount of money and justifies continuing that RMP?

MR. POSTA: Well, Doctor, I think the main concern again is the past track record of this region, which has not been too good.

Now, we do have reason to believe that Dr. Felix will be coming onboard to serve as coordinator. And I am sure that many of us in the room know Dr. Felix. He does have a

terrific track record himself. And will be and has been involved to a degree in the application which was drawn up. And some of the activities that he has got certainly the-- I should relate staff feels that \$800,000 is not an excessive figure.

DR. HESS: Your basis for optimism is Dr. Felix?

MR. POSTA: At this time, yes, sir.

DR. HESS: Something will depend upon which to base optimism. That is all I am looking for really.

DR. PAHL: Is there any further discussion or comment by anyone on Bi-state?

If not, let's turn our attention to Louisiana. And again, I am not certain who the reviewer on the committee was.

Is there any comment from the committee on Louisiana, or perhaps, Mike, we can turn back to you.

Go ahead, Mike.

MR. POSTA: Louisiana did come in with an application of \$800--\$985,000, which was 77 percent of its targeted figure.

This is a private corporation that is the grantee. They do have a terrific track record as far as expenditure of funds. They have had very little unexpended balances.

The indirect cost rates have been extremely nil in this particular region. It has been well managed. They do have a couple of outside consultants who have stayed with the program since it was terminated.

Staff and the reviewers felt that this region accepted the termination orders or the phaseout orders very strictly. And when they said close down, that is exactly what they decided to do, is to close down.

However, in the State of Louisiana, they have to notify the Secretary of State within six months of termination to carry out that termination or liquidation.

In the meantime, we got a continuation order to continue as a result staff did carry on. They did hire a few more people. They brought back their deputy director. However, at this time the staff is limited in scope. They have hired four additional people. Dr. Sabatier, the coordinator, is back on board, about 50 percent of the time. I can truthfully say in visiting the region two months ago with Mrs. Zizlavsky, that the chairman of the Regional Advisory Group and the chairman of the evaluation committee of this particular program are exceptional people. And their Regional Advisory Group does function quite actively and does not fund programs unless they are exceptionally well monitored from the start. That is, they do not fund just to be spending federal money.

DR. HESS: I guess my question, the main thing I would ask is are they doing appropriate things for people in the region and is there good leadership there?

In other words, are things looking-- is there a

basis for optimism for next year?

MR. POSTA: That is speculative, Doctor.

Based on 50 percent of the coordinator's time, based on the fact this is a corporation that would be phased out on time with no expectation that this corporation will continue as a grantee, the same as many of our say universities will continue to function and will be able to monitor toward the end, I think all of this was considered when the overall comments or grading to this region was below average.

DR. PAHL: Thank you, Mike.

Sister Ann.

SISTER JOSEPHINE: Your last comment kind of preempts what I am going to ask.

Over the years I have heard us from time to time concerned and particularly indirect costs and direct costs also, when a university is the grantee agency. And in terms of utilization of dollars to provide services and development of programs, it has been the experience of this program that where the grantee agency was other than the university, we got more dollars down in services and in programs.

Your last comment was a little disturbing to me. I wonder are we going to reflect on that experience and do you think reflecting on it, it is going to probably appear in the new guidelines for whatever this new model is that is going to be developed?

DR. PAHL: I think I can answer for Mr. Posta and say-

MR. POSTA: I had hoped you would.

(Laughter)

DR. PAHL: -- a number of us are hopeful that the experiences will be translated into action as we go into this new phase.

Mr. Rubel, who isn't here this morning, I think would say that in his various task forces that he has set up internally to try to plan something concerning the organizational framework and direction and policies, he has included a number of people -- for instance, Mr. Peterson is in charge of one of the subcommittees working with Mr. Rubel in designation of possible health service areas. And we have RMP people on all of these little subcommittees.

Unfortunately beyond the agency level I am not certain how much of what we talk about will survive, but there is a very real intent to try to take the best from both the CHP and RMP and learn from it.

I think there is some reason for optimism in this, but when one comes to a specific point, such as the one you are referring to, I don't have any first-hand information. Maybe someone in the room knows, but we are concerned with maximum impact, with available dollars, and utilization of skills and techniques that have been developed.

I think in many cases the Congress is going to be

more alert to this than possibly some of the elements in the administration.

SISTER JOSEPHINE: I think I am a little sensitive on this point, maybe oversensitive.

But I remember a number of years ago we were just doing a little study on one of the OEO programs and it took \$60,000 to get \$1,000 down to the people. It is disturbing.

DR. PAHL: Yes. Yes. We are having a meeting at the other end of the hall on arthritis center program and yesterday afternoon that same discussion came up as we look at the available dollars and what can be done to have an impact, and then see the cost-benefit. So that there are many groups that are recognizing we have to reconsider this and I do hope we benefit from it.

Bob.

MR. CHAMBLISS: Yes. I think, Sister, and there is some indication that there will be benefits from past experiences in that in the new legislative proposals, the operating agencies are shown to be nonprofit corporations, that deals I think specifically with the question that you were raising about the indirect cost.

There will be a new set of grantee types under the new legislation, that is as it is now proposed.

DR. PAHL: To return to the business at hand, I would like to ask if there is any further discussion on any of the

findings, recommendations, on the applications, because if not, then the chair will understand that the findings and recommendations which have been made and discussed here are those which are adopted by the committee and will be passed on to the National Advisory Council.

Mrs. Silsbee.

MRS. SILSBEE: Dr. Pahl, I would like to suggest that the gist of this discussion that has taken place in terms of the bounce between the two, be sort of a preamble to the Council, which will have an opportunity to look at all of the actions again, that this might very well be kind of a caveat that the committee gives to the Council in looking at the individual actions.

DR. PAHL: Yes. I think as is customary, staff does try to reflect as well as we understand what we hear for the Council, so that they can act in an intelligent fashion on the various recommendations. And we are sensitive to the problems that you labor under in two separate groups.

We had no choice but we will try to reflect the various interpretations and shades and interplay of feelings not only by the sheets but by all the record that is here in the staff in the room. So I think you should be assured of that.

Dr. Miller.

DR. MILLER: Could you give us an overall summary picture of what we have done now?

How much did we approve and--

DR. PAHL: I am delighted to do that.

DR. MILLER: How does it look in terms of the July process?

DR. PHL: Yes, I am delighted to do that. Because by coincidence, it makes calculation which I had made back in March appear very brilliant, when really it was just sheer coincidence.

The total figure that apparently the two panels have approved with the various modifications this morning comes out to be a recommendation of \$85,047,297 for June Council awards. If Council goes along with all committee recommendations.

This is from an anticipated amount available for both June and August awards of \$114 million -- let's just leave it at \$114 million, because you will recall from the discussion I had the other day, because of the unsettled state of the litigation, we are still talking about between \$109 million and \$114 million.

If, however, we do have the \$114 million available for support of RMP regular type programs, the recommendation of \$85 million as a result of this committee meeting would represent using 74-1/2 percent of the total available funds.

This is very encouraging. Because back in March we had to establish an allocation mode between the June and

August Councils and we had arbitrarily at that time set aside 75 percent, precisely, for June and 25 percent for August. And at that time we didn't know-- we hadn't even issued the instructions for regions to prepare applications. And we also didn't know within \$30 million how much would be available to us.

So as I say, it is sheer accident and not due to some Texas instrument that was hidden away somewhere.

So basically you have approved 75 percent of probably what would be the dollars available to us.

If the litigation does award \$5 million to the Department for some of its other purposes, which are certainly directly connected with the forthcoming phase, this would still bring us within about 79 percent; your recommendations would be about 79 percent of the total funds available.

So that come your July meeting and the August Council we are right on target with about the proper ration if you go back to my 75/25 percent.

Dr. Scherlis.

DR. SCHERLIS: Many of these projects will start as of a certain date, but obviously won't reach full staff or full operation for a significant period of time after that.

What happens to those funds which are left either at a local level or at a national level as of July 1975, give or take whatever period of time the extensions are?

DR. PAHL: The only strict requirement which the Administration has placed on this is that RMP's may not incur obligations beyond June 30, 1975. Thus contracts can't be written beyond that length of time and there comes a monitoring and surveillance issue at hand, which is the same one that any program faces which we faced last year as program is scheduled to terminate and how do you handle on-going activities?

We are actively involved, as I think I mentioned yesterday, in trying to get the Administration to put forth what a federal responsibility is.

I don't believe we have the exact answer, but in general, over the coming months, all of us who are involved in headquarters operations truly believe that there will be mechanisms developed and guidelines developed that moneys would be able to be spent for the purposes intended and there will be continuation of monitoring and surveillance.

We certainly don't wish to see contracts entered into and then June 30, 1975, everything terminated again. And we are trying to plan since we have a whole year ahead, the answer isn't here, but that is the clear intent and interest.

Now, with the business of applications aside, I believe, I know Dr. Teschan has one or two points which he would like to bring to the committee's attention and perhaps there are other matters of business before we adjourn.

Mr. Barrows.

MR. BARROWS: I just wanted to take one moment to say on behalf of my fellow reviewers how much we admire the strength and dedication that staff has exhibited during this extremely trying time.

You have got a great bunch of people here, competent. They are straight arrows and whom you can believe. We hope you can keep your team together.

(Applause)

DR. PAHL: Well, on behalf of the staff, it is a pleasure to hear it. I already know it, but I do thank you very much.

There is nothing we can do without the staff that we have. They have been extremely loyal under circumstances which you recognize as difficult and which indeed has been the case. So thank you very much.

That is one of the rewards for being one of the faceless, nameless bureaucrats, able to accept that on behalf of the staff.

Dr. Teschan, would you like to bring up the points which you mentioned to me before the meeting for committee discussion?

DR. TESCHAN: Sure.

Ken Barrows has just preempted point one.

I look at Ken for having said it the way it needed to be said.

The matters that I think we might consider as a group

are some recommendations to Council, generally three. One, we have already dealt with I think, and might go without saying, but I hope that Dick and others who were preparing these things might also focus again on the point that we do need to reiterate that we would recommend strongly to Council the whole facts in the matter of those policies that your RMP's has used through the years and I refer specifically to the August 30th issuance of Council for 1972, that they be very sure that as a matter of fact each region is in compliance with that policy before funds are allocated. That is to say, that that can accommodate a firm contingency.

I think that is not only correct from everything I have said, but it is also a fairness and human -- its essential intrinsic integrity in the program be maintained so that all of the regions are dealt with the same way.

I am very sensitive to Dr. Hess' concerns on that and I think we did a good job. I was satisfied and learned a lot in listening to how we dealt with that particular issue.

This is raised much in that same viewpoint.

Now, the other two things I happened to have written out I am going to leave copies with Herb here in just a minute and they are issues that also came up in our discussions in both panels undoubtedly, but I want to put the following little comment; that is, while I am sensitive and meet at every hand in all of the discussions I have the kind of thing Dr. Scherlis

pointed out we just seem to have this year left, Lord knows the coordinators have been faced with that in their regions and in discussions with one with the other. But the critical issue is I think we have to look at the context of the era in which we live and not simply be caught in what appears to be the near-term programmic potential or efforts.

We are told on every side that RMP is going to finish so our job here is to give it a decent burial and to utilize funds as well as we can, and allow slippages because Lord knows there are slippages.

I would take the other view that we are not dealing with the next year. We are dealing in history up to this time, and we are dealing with many years to come in which this particular year is one of several turning points.

I don't think this is a one turning point; I think it is one of several turning points. Therefore, I feel if we are going to conduct our business responsively, we need to conduct it with a clear recognition that what we do now and the integrity with which we do it must necessarily influence to an unknown, but to some degree what happens hereafter.

So that when we have considered some of the regions and when we sounded a little bit pedantic, perhaps, in citing the August 1972 policy, that you have got to have these elements and there has to be regional support within the region and a good image in a region for a region to warrant continuation

et cetera. We have done that with the notion that if the RMP in a region is going to be useful for something hereafter, then it needs to have that quality of image or quality of function in a region that is going to be worth something to build around as the follow-on version, following RMP, et cetera.

It is terribly important that the issues and professionalism and quality which are so clear in the superior region application particularly, be the hallmark in contrast to all the other alternatives of which there are plenty.

So it is really on that basis that I feel the Council now has a particularly vital turn in the road, a fork in the road to confront. Either the Council can take what to me seems to be a defeatist attitude in saying, well, we are only here to occupy space and to while away the hours, or the Council can contribute in some small measure to tidying up the situation. And in strengthening the regions for the transition period.

Therefore, it is with that in mind that there are two statements in perhaps somewhat-- well, there are two statements that in my view this group might consider for recommendation to the Council for a formal policy statement to the region. In other words, it is not just a recommendation to the Council, but recommendation Council take these and issue them as guidance policy to the regions in the country for their

implementation and guidance, it is a two-step operation.

First of these has to do with getting ready for the next phase. And a statement which says that might read something like this:

"In view of legislative developments now underway for further evolution of RMP, in association with the CHP and Hill-Burton programs, in the interests of national health planning, Council encourages RMP's to develop organizational readiness, structural changes, and any remaining regional relationships which are appropriate to lead, participate in and accommodate the anticipated new operating structures and requirements. The purpose of this orientation is to preserve for the new formats within the states and regions the capabilities and voluntary cooperative relationships which the RMP experience has created."

That sounds a little platitude and altruistic, but I think if we have organizational structural arrangements in a region, that defeats the region's capabilities in getting ready, being an appropriate participant in the new development, that those organizational changes should be made.

The second recommendation for Council policy and the request to HRA, as I understand, might read like this -- and it has really to do with CHP's -- it might read like this:

"While recognizing legislative mandate and DRMP

regulations regarding RMP-CHP relationships, Council requests that the national CHP leadership transmit to areawide CHP (b) agencies nationally the mandate for fully reciprocal relationships with RMP's, especially in calling upon RMP assistance for professional and technical input into ongoing CHP plans development; and in the interests of fairness and full reciprocity Council furthermore agrees and instructs ad hoc RMP review committee and staff to set aside any influence of negative CHP comments upon an RMP application unless the commenting CHP(b) agency has provided the RMP with, one, the criteria and a description of the (b) agency review-and-comment process, and two, a list of the (b) agency objectives and priorities upon which at least a part of the RMP response should be focused."

DR. PAHL: All right, thank you.

DR. TESCHAN: I would like to move the acceptance of these, or for any purpose.

DR. PAHL: Thank you.

Perhaps the committee would like to discuss the first of these in order, or have the first one reread.

What is the committee's -- I am sorry in a sense that so many of our members had to depart, because I think these issues are important ones, and I am also sorry Mr. Rubel is not here for the closing session, because I believe that he

would have been quite impressed to see the kind of activities and discussions that have ensued over this period. And also, of course, with this theme which is something which we are all concerned with, the reciprocity of action.

But beyond that, what is your desire in this matter?

Would you care to discuss these?

Dr. Scherlis, you look like you are about to make a comment.

DR. SCHERLIS: Sort of digesting what you said.

I agree completely with every word you said and would be pleased to second.

My big concern is really what effect this would have.

As all the people at this table have, I have been on site visits where you have contact with various (b) agencies and (a) agencies, and I must confess that in terms of professionalism and in terms of objectives and goals, I have to say one can point to rare instances, at least in the space that I have been able to visit, where (b) agencies or (a) agencies have been relatively effective.

My big concern is really what will happen to all of the work which RMP has accomplished?

I remember when RMP's first started, trying to describe what regional proper venture was.. These words were meaningless to me. I think in terms of their effectiveness, the various projects that we carried out only speak to a small

part of the accomplishment.

I strongly support both statements. I just question what will happen to them.

Perhaps you can alert us to what you view as the probability as to what will emerge from CHP and RMP and Hill-Burton at this time.

I am more impressed with both the planning and professionalism and the discernment of need by RMP as compared to the (b) agencies and (a) agencies, even those communities where they are supposedly relatively affected.

I think there is an obvious need for these groups working together.

This is a problem not only of logistics, but day to day political strategy and this is where I have a real concern.

I am more impressed with the relatively objectivity of RMP's as compared to the relative lack of objectivity of (a) and (b) agencies.

The sorts of letters that you read and request after request from the regions in terms of the review process of (b) agencies and (a) agencies, we like that. But we don't like this one. We like that one; that one is just great. And you come away with you just don't know what the basis for the evaluations are and this is where I would strongly support both of your statements.

I would just hope that they would do more than just

go to the Council. I would hope that whoever sets policy, whoever that might be, whatever dark room, that somewhere this would glimmer in and possibly shed some light on what could be a very complicated process.

DR. PAHL: Well, without responding completely to your question, because again I don't think that I can speak from a nonbiased point of view, I do believe that from our observation of what it is we do in RMP, relative to what I see happening in CHP's, I must say that as the program director here, I subscribe to everything you have just said.

We are trying to work more closely in headquarters relationship. We have been interested in trying to, as you know, strengthen the CHP individual agencies, planning processes. I honestly don't know out of my personal experience of one program that has actually tried to do more to cooperate with and support another program than RMP has through the years, the comprehensive health planning effort.

And it is only recently that the headquarters staff have been interacting and that is as a result of this functional reorganization that is going on.

I think the statement is a very good statement. I would be pleased to give it maximum impact within the agency because I know there are many individuals who feel the same as you have expressed that there is an imbalance here in the way this is being discussed, looked at. And to the extent that

the Council would like to adopt this as a recommendation, whether they would or not this is what we are trying to do as staff. But I think it could have some greater force if it were a Council recommendation.

Perhaps I shouldn't say anything about the first one since we haven't discussed that point.

So from staff point of view, we would not be adverse by any means to taking such a recommendation to Council, and I believe a recommendation by them to the Administrator and headquarters staff, and perhaps higher through the Department could, again, bring to the attention of people the feeling and sense not only of this group, but of the entire organization that is connected with the RMP program.

This has been said over and over again. This is another way of saying it. But it is a good time to say this because it is important. And I believe that it could have some impact and it should be said, because I think what is being stated is true. So many times the RMP's have tried to assist and get the advice of the local agencies and in fact have found that there is very little relative to the kind of strength -- and there are many good reasons for this. It is not demeaning the CHP (b) agencies by any means; there are a good many reasons. But all of this should go toward providing a better future for all of us.

I think we are looking to the future, not trying to

investigate what happened in the past.

DR. SCHERLIS: Point of information. As you made the motion, where did you wish this to be transmitted to Council or to Council and to appropriate agencies?

DR. PAHL: It can be both.

DR. SCHERLIS: It can be both?

DR. TESCHAN: I felt the first step, formal Council recommendation, that then becomes instruction to staff to get the message at the staff level here. But I am more concerned-- well, equally concerned at this point that the regions have strong Council backing and I recall clearly when Council made a statement, I don't think Council ever understood how impressive that was to coordinators, regional advisory groups, et cetera.

This Council pronouncement of encouragement, et cetera more or less I expect from region to region, but generally had a lot to do with how we shaped our sort of concept of how we should be conducting business.

So while intangible, I feel it has a terrifically important potential impact and particularly now.

So a strong move to Council, and if Council then says it, it becomes incumbent on staff as executors to some extent, on Council advice, that that would carry forward in the further deliberations.

DR. PAHL: I presume this recommendation would be a

recommendation by Council to the Assistant Secretary of Health, because obviously our Council has no responsibility over comprehensive health planning but through the Assistant Secretary of Health. And there could be coordination of efforts within the bureaucracy.

Sister Ann.

SISTER JOSEPHINE: Yes, I too would like to support this type of activity. And, you know, in reflecting back on the program and in reflecting on something that came to me in a note from one of the members here, you know, the Regional Medical Program has had something of a Year of Camelot; you know, we return to Camelot. And the knights returned and the armies of the Middle East shing up -- (laughter) -- but, you know, it is so gratifying to me to see we still dream dreams and that the innovative program, you know, still has that spark.

I believe that we cant say a thing too often, because one day someone might just listen and hear it is what we are saying.

I would think it is very important that gets wide-circulation.

DR. PAHL: Mrs. Wyckoff.

MRS. WYCKOFF: I agree wholeheartedly with that statement.

I hope something can be done so this conversation and

this resolution we have will be passed along in such a way that it will not be lost through the decentralization process that seems to be contemplated.

I was very sad to hear you all act as though you were going to be gone very soon.

DR. PAHL: Not everyone, just--

MRS. WYCKOFF: It just means HEW regionalization, which is very different from our RMP regionalization.

I hope that something can be put in the mill so that this will not be lost in the dreadful shock of pulling the center magic apart.

DR. PAHL: I hope so.

I don't think this is the point, to get into that. But it is quite possible that under new legislation, be that enactment of extension legislation for the individual programs or health resources planning legislation, unless there is quite a different environment I suspect the Department will probably make the determination that this program should be decentralized in the regional offices and our staff fully understand this. And this would mean basically very few individuals would actually go to regional offices, because they would find satisfying work locally which most of them would prefer to do, so that would mean positions would go to regional offices. Our staff would be reduced in members by that amount and functions would be shifted to regional office and the

character of the program I would have to say I think would probably suffer in the initial stages at least, because there would be many new faces handling RMP responsibilities in the regional offices.

MRS. WYCKOFF: Will decisions be made at the regional level for many of these things we are now making?

DR. PAHL: Yes, that is what is contemplated.

MRS. WYCKOFF: That is the thing.

DR. PAHL: We will have National Advisory Council, that will come back.

MRS. WYCKOFF: If that is kept in the legislation.

DR. PAHL: There are so many ifs. But the armour is not completely rusty.

Dr. Hess.

DR. HESS: I fully support these two recommendations in principle and would just like to suggest a possibility of an amendment to each of them. The first one, as I thought about that, I wondered if I were an RMP coordinator, how would I respond to such a general directive when you don't know what it is you should be shaping up for or moving toward.

And so the amendment would be that if Council approves this, that it be part of Council and/or staff responsibility to keep the regions informed so that they will know, you know, be in receipt of advice as to how best to prepare for this kind of transition.

Now, I know that is very hard to do and the time and the nature of the advice would be very important to not keep things in a turmoil on the basis of changing signals. But nevertheless, just to say that without any further guidance as to what that means may not be as helpful as we would like to have it be.

So that if you can get the sense of that really further specification of that--

DR. PAHL: I appreciate that.

Actually I have a problem with perhaps two words in here, which I think bear directly on your point.

If I may read the statement again, Paul, and then show what my concern is, because this is a concern that is shared by many of us in headquarters in order to try to be most helpful to the groups we are serving.

The statement reads:

"In view of legislative developments now underway for further evolution of RMP, in association with the CHP and Hill-Burton programs, in the interests of national health planning, Council encourages RMP's to develop organizational readiness"--

And here is where I would like to delete "structural changes."

-- "and any remaining regional relationships which are appropriate to lead, participate in and accommodate the anticipated new operating structures and requirements.

The purpose of this orientation is to preserve for the new formats within the states and regions the capabilities and voluntary cooperative relationships which the RMP experience has created."

The reason that I personally, although we will take your recommendation to what it is you wish to say to Council, but the reason I have problems with having the Council encourage the regions to develop structural changes at this point is because that is one of the primary uncertainties and is still the subject of debate.

Organizational readiness capability, closer cementing of relationships in the regions is all to the good. But both CHP leadership and we and Dr. Margolis and Dr. Endicott in our various capacities know, both privately in the office and publicly, have urged groups not to jump the gun into what they presume to be the proper organizational structure.

So I have a feeling in reading these words about organizational structural changes, this would encourage some people to move perhaps faster than would be for their own good.

In terms of keeping regions informed, I think we all again, in our separate capacities, and with what knowledge we have, are trying to do this. Some groups are moving ahead.

For example, there has been a change of grantee in Northern New England just recently, but it is not as a result

of the last few months' thinking. They have been doing this now for a couple of years and thinking about it.

It has had a lot of thought.

Others are trying to anticipate the exact outcome of the legislation and are trying to be there when it happens, and both Mr. Rubel and I and, as I say, our administrative superiors indeed are cautious people against undue haste. That was my only concern, Paul, with your statement. But I don't want to impose my concern on what may be the committee's wish to transmit.

So I would like to have that point of view further explored, if you will.

DR. TESCHAN: I would like certainly to respond to that.

Sometimes I think this kind of discussion, or at least issue we are now talking about, is a little bit, oh, a little -- it is distinctly unsubstantial. It is ethereal.

First of all, practicalities are nobody is really going to go to a lot of trouble in any RMP to make large changes into something they know not what.

There are, after all, some pretty practical figures and they have a limited amount of staff time for such busy work.

Moreover, I also think it is important for us to remember that instructions or encouragement or guidance coming down from Council and staff is also paralleled by a good deal of

information transfer between regions through the coordinator organizations in HS-1. Moreover, all the coordinators are perfectly capable of reading the legislation and reading the reports on the committee hearings, et cetera, and so are members of the RAG and some of them do.

So there are several routes. I don't think either having it the way it is or not having it the way it is is really going to have any enormous impact.

I sympathize with this and if you feel more comfortable and if the Council would then be able to be saved, all kinds of minutes of backing and filling on such an unsubstantial point, I would be perfectly happy with the notion for making preparations for or sort of getting oriented toward, rather than to actually put on paper and get signed in some crucial way a specific thing we know not what at the present time.

Critical issue, it is almost code, it is hard for me to say what needed to be said.

DR. PAHL: Excellent statement, really is.

DR. TESCHAN: But what is meant by structural changes specifically is the notion there are structures in some of the regions, either the way staff is put together or the way RAG is built, or the way the relationships actually work between them, or who the grantee is or how that whole business works, under the August 1972 policy, which effectively for many of

the prime movers of health affairs in states and regions vitiate the significance and possible impacts of RMP.

If RMP and RAG finds that is the case, that particular corner of that statement was to open the possibility that if there are serious -- if any part of that is a serious ball and chain to the image and function of an RMP in a region, this would be a good time to get that out and to get it settled and to move on its own merits, quite aside from what the future might be.

DR. PAHL: Sure.

DR. TESCHAN: It is to encourage those changes, tidy up the ship, plug the leaks, get the thing ready for sea. Because we are going to be in higher, heavier water for awhile than we are right now.

So I think we really ought to get underway with it.

DR. PAHL: To be specific--

DR. SCHERLIS: He would like to have his statement launched, I gather.

(Laughter)

DR. PAHL: To be specific, we have had a spate of inquiries in going into not-for-profit grantee structures. That is all we have been trying to pull the bit of brake on for their good as well as for what we believe to be sensible reasons, but certainly not internal rearrangements, and the kind of structural changes you are talking about.

DR. SCHERLIS: You would not be adverse to removing those administrative covers -- what are you talking about? What kind of structural --

DR. PAHL: We are heavily involved with it, more people are involved.

It is their insistent demand we are here to serve.

DR. TESCHAN: My feeling on that, if in the region there is serious problem with a structural situation --

DR. PAHL: Specific.

DR. TESCHAN: -- let us say, for example, a nonprofit corporation mode would be better for very good independent region reasons, then let's go now for a nonprofit-- for its intrinsic merits in the region, not for something down the road.

DR. PAHL: That we are doing. I think we have a sense and I think it is a very excellent statement.

DR. TESCHAN: We can take those words out if that part of it is understood.

DR. PAHL: Is there further discussion?

Dr. Hess.

DR. HESS: Yes. On the second statement, again I was looking at the practical application of that, and if your intent was that that would be applied in this next upcoming two reviews, that being the case, I don't know that there would be information to be able to apply that criterion to

know whether or not each (b) agency had submitted its criteria and priorities, and so on, to the RMP's. I don't see how that is implementable during the next-- these immediate two reviews in the next month or so.

DR. TESCHAN: I don't think that should bother our deliberations. I think it is the resolve of our group and if Council backs it, which is really the question, then I think we can deal with CHP comments on somewhat more official grounds within the RMP review process than we felt really comfortable in doing up to now.

I have been concerned, but reassured by the last two days. I was concerned when I came here that we would be worrying. We would be unduly influenced by insubstantial grounds for negative comments from CHP. We have not been so.

What this will do as I see it, the purpose is really not to influence us so much if we already agreed to it, but I would hope it would strengthen Herb's hands and that of his staff in conducting their business with their counterparts in these new ad hoc subcommittees. And will also influence the regions in how they deal in the future, regions at this point, seeing the ascendancy of CHP, may be increasingly endowed as to how to seek -- I think this puts it on a simple professional basis.

DR. HESS: My only concern is for these immediate applications.

DR. TESCHAN: Wouldn't worry about it.

DR. HESS: -- it seems to me a little bit too tight to apply.

MR. BARROWS: Without respect to the recommendations, the fact of the matter is our panel, panel B, concluded that all we can do would be to examine the RMP's share in this relationship.

DR. PAHL: Surely.

MR. BARROWS: They had done what they were supposed to do. We had no way of measuring the other-- I think that is a factor in the recommendation to the Council involved.

DR. PAHL: Yes. This picture certainly will be presented to them, so that they can view this in its proper perspective.

DR. HEUSTIS: I would like to call for question on the motion, as editorially amended, without having you read it again.

DR. PAHL: Without reading, all those in favor of the two motions, the first one as amended, please signify by saying "aye."

DR. PAHL: Opposed?

(No response.)

DR. PAHL: Motion is carried and recommendations will be transmitted to Council.

DR. SCHERLIS: May I state it be carried unanimously,

just for matter of record.

DR. PAHL: Carried unanimously.

You might be interested in hearing the arthritis group status report.

I am happy to report they probably feel if they were panel C, they have the tougher problem. They are working very hard. Dr. Roger Mason from Nebraska is serving as chairman of that group. We have a very fine ad hoc group with 43 applications requesting I believe it is \$16 million with \$4.2 million earmarked for the support of these pilot arthritis centers.

The group yesterday spent the better part of the day discussing -- this is a brand new concept, not only program, for us, but brand new concept as to what are the elements which should be in a center and how to give various weighting to these elements.

(Discussion off the record.)

DR. PAHL: The arthritis panel is struggling with \$16 million in requests, with \$4 million available and they spent the better part of yesterday trying to develop the element and important features of centers. And they scanned through the applications in a descriptive fashion, one by one, and about last night the time that you broke up I believe they did also and came back to work at eight o'clock this morning and are working today, possibly tonight, and possibly into tomorrow morning. Because they feel it is also important not just to

spend \$4.2 million as you feel it is not just to distribute funds, impounded funds, but to get something more out of this, to get more than the sum of the parts.

I am very pleased to say they are very much aware of it, and therefore I have a request to make of our own staff to stay around this afternoon and do their post-committee work in the offices, because some of the people that you have seen departing in the last half hour or so here are being requested to go into that room and tell that ad hoc Arthritis Committee the capabilities of the region for managing what is a special arthritis program.

So we are not trying to divorce this activity out of the RMP activity.

I told Dr. Mason we couldn't be holding the Arthritis Committee at a better time for having a full survey of 53 regions with as much information as we can accommodate right now.

So I thought you would like that status report and somehow those difficult decisions will be made.

Before closing, I would like to reiterate Mr. Barrow's comments from my own point of view, and I know from Bob's point of view on our own staff efforts.

We have been carrying two activities of arthritis and RMP applications simultaneously. You do recognize, because you have been with us for a much longer period of time, the

kind of work and quality of work that has come out and you have duly acknowledged that for which I am very appreciative.

The Arthritis Committee prior to the end of yesterday also expressed its appreciation for the quality of the staff work, done by a group who I had never seen, who had never seen arthritis application, had to read textbooks, listen to experts, do homework, and do staff work for that committee.

I think my very real personal impression as I come away from these two and three days of meetings is that I have never been associated with a program that has risen really to the need that they have, and done so in such a high quality fashion.

Many of them have been holding two jobs over the month of May in order to get these materials for you, and so I personally thank them. I know both Bob and Mr. Peterson, chairing the other panel, do, and it is very nice to record that and I am sure the Council will appreciate all of the work.

But in addition to that, I would also like to thank you. It has been a very difficult job on your part to have been away from the many changes that have taken place and then to come back and with the kind of short time and the extremely heavy workload, to do the kind of decision making that you have.

I think this morning's session has been particularly gratifying to me to be able to discuss some of these points,

and issues, because we do feel a real responsibility not for winding down a program, but for moving into the new phase and maintaining the strength and improving it where we can.

So again we thank you very much and we will look forward to seeing, hopefully, all of you in July, and wish you well on your return trips.

Meeting is adjourned.

Thank you.

(Whereupon, at 12:00 o'clock, noon, the meeting was adjourned.)

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